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UNITED STATES OF AMERICA BEFORE THE DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

Split Rock Energy LLC	Docket No. EA-225 <u>— A</u>

APPLICATION OF SPLIT ROCK ENERGY LLC FOR RENEWAL OF AUTHORIZATION TO TRANSMIT ELECTRIC ENERGY TO CANADA

Split Rock Energy LLC (Split Rock), pursuant to Section 202(e) of the Federal Power Act (FPA)(16 U.S.C. §824a(e)) and 10 C.F.R. §205.300 et seq. (1966), hereby submits an application for renewal of authorization to transmit electric energy from the United States to Canada for a period of five years (or for such other period as the Department deems appropriate.)

I. DESCRIPTION OF APPLICANT

The exact legal name of the applicant is Split Rock Energy LLC (Split Rock). Split Rock, a Minnesota limited liability company, is engaged in the marketing of electric power at wholesale. Split Rock is authorized by the Federal Energy Regulatory Commission (FERC) to make sales of electric power at wholesale in interstate commerce, at negotiated rates under the Restated Mid-Continent Area Power Pool (MAPP) Agreement and its market-based rate tariff as well as other FERC Rate Schedules on file at FERC.

II. PARTNERS

Split Rock's authorization to export power will be on behalf of its members, Minnesota Power and Great River Energy. However, it is not seeking authorization to export power on behalf of any partners or partnership.

III. COMMUNICATIONS

Communications regarding this application should be addressed to the following:

Steven W. Tyacke, Esq. 30 West Superior Street Duluth, MN 55802 (218) 723-3963 Fax (218) 723-3955

IV. ORGANIZATION OF APPLICANT, AUTHORITY TO DO BUSINESS

Split Rock is a Minnesota limited liability company having its principal place of business in Minneapolis, Minnesota. Currently Split Rock is authorized to do business in the State of Minnesota.

V. JURISDICTION

Split Rock does not know of any other Federal, State or local government that has jurisdiction over the actions to be taken under the authority sought in this Application.

VI. FACILITIES

Split Rock intends to export power over existing transmission interconnections between the United States and Canada. Exhibit C to this Application provides the location and description of the transmission facilities through which the electric energy may be delivered into Canada, and includes the name of the facility owners as well as the Presidential Permit numbers.

VII. TECHNICAL DISCUSSION OF PROPOSAL

The electric power Split Rock will export, on either a firm or interruptible basis, will generally be purchased from others voluntarily and will, therefore, be surplus to the needs of

the selling entities. Split Rock does have an obligation to serve the end use obligation of Minnesota Power in northeastern Minnesota and the end use load obligations of Great River Energy in Central and Western Minnesota. However, the exports proposed by Split Rock will not impair its ability to meet any current and prospective wholesale power supply obligations in the United States.

Split Rock's proposed exports will not impair or tend to impede the sufficiency of electric supplies in the United States or the regional coordination of electric utility planning or operations.

VIII. PROCEDURES

Split Rock's application is consistent with United States energy policy established in the Energy Policy Act of 1992, the North American Free Trade Agreement of 1993 and FERC Order No. 888, which fosters more efficient and competitive North American energy markets.

Split Rock, in this proceeding, is seeking renewal of its authorization, as a power marketer, to export electricity through existing border. Split Rock now files an annual report with the Department reporting its annual exports and imports; and will similarly report exports and imports resulting from the export authorization requested in this proceeding, as directed by the Department. Also, Split Rock is willing to accept general conditions consistent with the Department's previous power marketer authorizations for this additional export authorization. In particular, if required by the Department, exports made by Split Rock will not exceed the export limits for the transmission facilities utilized by Split Rock, or otherwise cause a violation of the terms and conditions set forth in the export authorizations applicable to each; prior to commencing exports, Split Rock will provide written evidence to the Department that it has secured sufficient transmission service for the delivery of power to the border; when scheduling the delivery of power, Split Rock will comply with the applicable NERC reliability criteria, standards, and guidelines; and, for each calendar quarter, Split Rock will provide the Department with reports indicating the gross amount of

electricity delivered to Canada, consideration received during each month, and the maximum hourly rate of transmission, as well as any additional annual reports required by the Commission.

IX. EXHIBITS

The following exhibits are attached hereto:

Exhibit A - Agreements (Not applicable)

Exhibit B - Legal Opinion of Split Rock's counsel

Exhibit C - Transmission Facilities (Submitted in lieu of Maps)

Exhibit D - (Not applicable)
Exhibit E - (Not applicable)
Exhibit F - (Not applicable)

X. CONCLUSION

WHEREFORE, Split Rock respectfully requests that the Department review and grant this Application in an expeditious manner.

Respectfully submitted,

Steven W. Tyacke, Esq. Split Rock Energy LLC

30 West Superior Street

Duluth, MN 55802

(218) 723-3963

Dated this 30 day of January, 2003.

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301 4th Avenue South, Suite 280N • Minneapolis, Minnesota 55415 • 612-339-8845 • Fax 612-375-1331

January 30, 2003

Anthony J. Como Manager, Electric Power Regulation Office of Coal & Power Im/Ex (FE-27) Office of Fossil Energy U.S. Department of Energy 1000 Independence Avenue, SW Washington, DC 20585-0350

Re: Application for Renewal to Export Electric Energy

Split Rock Energy LLC Docket No. EA-225

Dear Mr. Como:

The following opinion is given in support of the Application of Split Rock Energy LLC for renewal of authorization to transmit electric energy to Canada.

- 1. I am an attorney, authorized to practice law in Minnesota and Wisconsin;
- 2. I am serving as Counsel for Split Rock Energy LLC in this matter;
- Split Rock Energy LLC is duly organized, validly existing and in good standing under the laws of the State of Minnesota and is authorized to do business in the states of Minnesota and such other states as required by the current nature of its business.
- 4. Split Rock Energy LLC has full corporate power and authority to buy, sell or act as a marketer/broker in the sale and exportation of electric energy as requested in this Application; and
- 5. Split Rock Energy LLC intends to comply with all applicable Federal and State laws.

Steven W. Tynke Legal Counsel

Legal Opin.doc

January 22, 2003

Transmission System Information

Owner	Location	Voltage	Presidential Permit No.
Basin Electric Power Coop.	Tioga, ND	230 kV	PP-64
		2 222 1 22	
Bonneville Power	Blaine, WA	2-500 kV	PP-10
Administration	Nelway, WA	230 kV	PP-36
	Nelway, WA	230 kV	PP-46
Citizens Utilities Company	Derby Line, VT	120 kV	PP-66
Eastern Maine Electric Coop	Calais, ME	69 kV	PP-32
International Transmission	St. Clair, MI	345 kV	PP-230
(f/k/a Detroit Edison)	Maryville, MI	230 kV	PP-230
	Detroit, MI	230 kV	PP-230
	St. Clair, MI	345 kV	PP-230
	Y Y 1 7 7777	100177	DD 00
Joint Owners of Highgate Project	Highgate, VT	120 kV	PP-82
Long Sault, Inc.	Massena, NY	2-115 kV	PP-24
Maine Electric Power Co.	Houlton, ME	345 kV	PP-43
Maine Public Service Co.	Limestone, ME	69 kV	PP-12
	Fort Fairfield, ME	69 kV	PP-12
	Aroonstook Co., ME	138 kV	PP-29
	Madawaska, ME	2-69 kV	PP-29
Minnesota Power	International Falls,	115kV	PP-78
	MN		PP-61
Minnkota Power Cooperative	Roseau County,MN	230kV	PP-61 ¹
New York Power Authority	Massena, NY	765 kV	PP-56
	Massena, NY	2-230 kV	PP-25
	Niagara Falls, NY	2-345 kV	PP-74
	Devils Hole, NY	230 kV	PP-30

¹ To the extent Minnesota Power does not have export authorization rights under the current PP-61 and export authorizations for this facility which is jointly owned by Minnkota Power Cooperative and Minnesota Power.

Niagara Mohawk Power Corp.	Devils Hole, NY	230 kV	PP-190
Northern States Power	Red River, ND Roseau County, MN	230 kV 500 kV	PP-45 PP-63
Vermont Electric Transmission Co.	Norton, VT	<u>+</u> 450kV DC	PP-76

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VERIFICATION

STATE OF MINNESOTA)
) ss
COUNTY OF ST. LOUIS)

I, Steven W. Tyacke, Assistant General Counsel of Minnesota Power, a Minnesota corporation, having knowledge of the matters set forth in the above Application of Split Rock Energy LLC for Renewal of Authorization to Transmit Electric Energy to Canada, hereby verify that the contents thereof are true and correct to the best of my knowledge and belief.

Steven Wayacke

Subscribed and sworn to before me this 30 day of January, 2003.

Notary Public

GERALDINE H. PETERSON
HOTARY FUELD MINNESOTA
MY COMMISSION EXPIRES 1-31-2005

Verification.2003.doc